



DATE ISSUED: July 13, 2005

REPORT NO.: CCDC-05-27
CCDC-05-13

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Honorable Mayor and Members of the City Council
Docket of July 19, 2005

SUBJECT: Transitional Housing for Seniors Program Funding – Core
Redevelopment District of the Expansion Sub Area of the Centre City
Redevelopment Project

REFERENCE: Program Statistical Summary
Findings of Benefit

STAFF CONTACT: Dale Royal, Senior Project Manager

SUMMARY

Issue - Should the Redevelopment Agency:

1. Authorize funding in the amount of \$272,000 from the Fiscal Year 2006 Centre City Redevelopment Low and Moderate Income Housing Set-Aside Fund to the Senior Transitional Housing Program Fund to cover leasing costs for the Transitional Housing for Seniors Program? And
2. Make certain findings and determinations that the Transitional Housing for Seniors Program is of benefit to the Centre City Redevelopment Project?

And, should the City Council:

1. Authorize the acceptance of \$272,000 from the Fiscal Year 2006 Centre City Redevelopment Low and Moderate Income Housing Set-Aside Fund to the Senior Transitional Housing Program Fund for the Transitional Housing for Seniors Program?
2. Authorize the appropriation and expenditure of funds, contingent upon certification of funds availability by the City Auditor and Comptroller, for the Transitional Housing for Seniors Program?

3. Authorize the City Manager to enter into a contract with the Senior Community Centers to administer the Transitional Housing for Seniors Program, providing that the Auditor and Comptroller first furnishes an Auditor's Certificate which demonstrates that funds for such obligations are or will be on deposit in the City Treasury? And
4. Make certain findings and determinations that the Transitional Housing for Seniors Program is of benefit to the Centre City Redevelopment Project?

Staff Recommendation - That the Redevelopment Agency:

1. Authorize funding in the amount of \$272,000 from the Fiscal Year 2006 Centre City Redevelopment Low and Moderate Income Housing Set-Aside Fund to the Senior Transitional Housing Program Fund to cover leasing costs for the Transitional Housing for Seniors Program; And
2. Make certain findings and determinations that the Transitional Housing for Seniors Program is of benefit to the Centre City Redevelopment Project.

And, that the City Council:

1. Authorize the acceptance of \$272,000 from the Fiscal Year 2006 Centre City Redevelopment Low and Moderate Income Housing Set-Aside Fund to the Senior Transitional Housing Program Fund for the Transitional Housing for Seniors Program;
2. Authorize the appropriation and expenditure of funds, contingent upon certification of funds availability by the City Auditor and Comptroller, for the Transitional Housing for Seniors Program;
3. Authorize the City Manager to enter into a contract with the Senior Community Centers to administer the Transitional Housing for Seniors Program, providing that the Auditor and Comptroller first furnishes an Auditor's Certificate which demonstrates that funds for such obligations are or will be on deposit in the City Treasury; And
4. Make certain findings and determinations that the Transitional Housing for Seniors Program is of benefit to the Centre City Redevelopment Project.

Centre City Development Recommendation - On June 22, 2005, the Corporation Board of Directors voted unanimously in favor of the staff recommendation.

Other Recommendations - None.

Fiscal Impact - The proposed program would require funding in the amount of \$272,000. Funds are available in the Fiscal Year 2006 Centre City Redevelopment Project Low-and Moderate-Income Housing Set-Aside Fund.

BACKGROUND

The proposed program advances the Visions and Goals of the Centre City Community Plan and the Objectives of the Centre City Redevelopment Project by:

- Providing housing for homeless seniors, a priority in CCDC's Social Issues Strategy;
- Expanding and improving the supply of low- and moderate-income housing; and
- Facilitating an economically and socially balanced population.

Transitional Housing for Seniors Program ("Program") is a City-sponsored effort to provide seniors who are homeless with vouchers to rent rooms at downtown housing facilities. The Program has been operating since January 2002 and has provided, to date, over 36,000 bed nights for homeless seniors. The Program is managed by the City of San Diego Department of Community and Economic Development, which has entered into a contract with Senior Community Centers of San Diego, a non-profit service provider, to lease rooms for homeless seniors. Program participants receive case management services by Senior Community Centers of San Diego, San Diego REACH, Traveler's Aid Society, and the San Diego Homeless Outreach Team.

The Agency has provided funding for the Program since inception, as follows:

Funding Period	Date Agency Approved	Housing Set-Aside Funds for Leasing Costs	CDBG Funds for Assisted Living Expenses	Total
January 2002 to December 2002	March 19, 2002	\$168,000	None	\$168,000
January 2003 to December 2003	March 4, 2003	\$221,000	\$90,000	\$311,000
January 2004 to June 2004	January 13, 2004	\$105,000	None	\$105,000
July 2004 to June 2005	August 3, 2004	\$233,000	\$25,000	\$258,000
<i>July 2005 to June 2006</i>	<i>Subject Request</i>	<i>\$272,000</i>	<i>None</i>	<i>\$272,000</i>
Total		\$999,000	\$115,000	\$1,114,000

A summary of the Program's outcomes through May 2005 is attached as Exhibit A - Program Statistical Summary. The report illustrates that, since inception, the Program has assisted almost 200 seniors move from the streets towards more permanent housing.

Audit of Building Inspections

The Sara Frances Homotel is a 157-unit single room occupancy ("SRO") hotel built in 1991 that is owned and managed by Seymour Reichbart. On June 8, 2005, CCDC staff received a complaint about possible problems with living conditions at the hotel. In response, CCDC staff obtained a copy of the most recent building inspection, which was conducted by the San Diego Housing Commission ("Housing Commission") on May 6, 2005. The Housing Commission has 48 income-restricted units in the building and 17 units reserved for Section 8 clients. The inspection report did not identify any health and safety problems. The next Housing Commission inspection is scheduled for July 17, 2005.

On June 15, 2005, CCDC staff and representatives of the City of San Diego Department of Community and Economic Development and Senior Community Services of San Diego conducted an inspection of the building. The inspection included a random sample of shared bathroom facilities and a subset of the 35 rooms leased to the Program. Staff was generally impressed with the building's condition and cleanliness, although roaches were spotted in a few locations. Building management concurred that roaches are a recurring problem that they manage by routinely hiring Uncle Mike's Pest Control to do extermination, most recently on May 13, 2005.

Staff concludes that living conditions at the Sara Frances Homotel are safe and sanitary, and recommends that the Agency proceed with the recommendation to authorize funding for leasing costs. However, as a measure of protection, staff has requested the City of San Diego Neighborhood Code Compliance Department to schedule an inspection of the building, and would recommend that, as a condition prior to any disbursement of funds, that the building inspection report be reviewed and approved by staff.

DISCUSSION

Scope of the Project - The Program would lease a total of 37 rooms, including 35 rooms at the Sara Frances Homotel located at 943 Tenth Avenue in downtown and two rooms at St. Paul's Villa located at 2340 Fourth Avenue in Banker's Hill.

Participation by Agency - The City of San Diego is requesting \$272,000 from the Redevelopment Agency to fund leasing costs for the 12-month period of July 2005 to June 2006. The City Attorney's Office has determined that the Program's leasing costs are an allowable use of Redevelopment Agency Low and Moderate Income Housing Funds ("Housing Set-Aside Funds"), while assisted living expenses, such as meals and

counseling, are not an allowable use. With this action, the City is requesting \$272,000 from the Redevelopment Agency for leasing costs. The City plans to secure \$25,000 for assisted living expenses from other sources in a separate action.

Project Benefits - The Program would provide a total of 37 rooms for homeless seniors, therefore, adding to the much-needed supply of low and moderate income housing.

PROJECT DESCRIPTION

The Program would lease a total of 37 rooms, including 35 rooms at the Sara Frances Hometel located at 943 Tenth Avenue in downtown and two rooms at St. Paul's Villa located at 2340 Fourth Avenue in Banker's Hill.

PROJECT ANALYSIS AND IMPACT ASSESSMENT

Housing Impact - The Program serves a critical need for temporary housing for seniors, including frail elderly, among the homeless population. The Redevelopment Agency's funds would allow the Program to continue at its current level of service through the end of Fiscal Year 2006. The negotiated lease rate of approximately \$550.00 per month is reasonable and within industry standards for the region.

Environmental Impact - This activity is not a project, and therefore not subject to CEQA per CEQA Guidelines Section 15060(c)(3).

Findings of Benefit - One of the transitional housing facilities, St. Paul's Villa, is located in the Banker's Hill neighborhood, a few blocks north of the Centre City Redevelopment Project boundaries. Whenever Redevelopment Agency funds are proposed to be spent outside of a redevelopment project area, the Redevelopment Agency is required to make findings that the project will be of benefit to the redevelopment project area. Leasing rooms for homeless seniors benefits downtown in several significant ways. Proposed findings of benefit are attached as Exhibit B - Findings of Benefit.

SUMMARY/CONCLUSION

The Transitional Housing for Seniors Program is a successful Program that provides temporary housing for homeless seniors. Staff recommends that the Redevelopment Agency authorize and the City Council accept funding for leasing costs in the amount of \$272,000 from the Centre City Redevelopment Project Low-and Moderate-Income Housing Set-Aside Fund. Prior to any disbursement of funds, building inspection reports of the housing facilities must be reviewed and approved by staff.

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Respectfully submitted,

Dale Royal
Senior Project Manager

Approved: Peter J. Hall
President

Attachments:
Exhibit A - Program Statistical Summary
Exhibit B - Findings of Benefit

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